

Endo International plc

Q1 2019
Earnings Report

May 9, 2019



Forward Looking Statements; Non-GAAP Financial Measures

This presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Canadian securities legislation. Statements including words such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plan,” “will,” “may,” “look forward,” “intend,” “guidance,” “future projects” or similar expressions are forward looking statements. Because these statements reflect our current views, expectations and beliefs concerning future events, these forward looking statements involve risks and uncertainties. Although Endo believes that these forward looking statements and information are based upon reasonable assumptions and expectations, readers should not place undue reliance on them, or any other forward looking statements or information in this news release. Investors should note that many factors, as more fully described in the documents filed by Endo with securities regulators in the United States and Canada including under the caption “Risk Factors” in Endo’s Form 10-K, Form 10-Q and Form 8-K filings, as applicable, with the Securities and Exchange Commission and with securities regulators in Canada on System for Electronic Document Analysis and Retrieval (“SEDAR”) and as otherwise enumerated herein or therein, could affect Endo’s future financial results and could cause Endo’s actual results to differ materially from those expressed in any forward looking statements. The forward looking statements in this presentation are qualified by these risk factors. Endo assumes no obligation to publicly update any forward looking statements, whether as a result of new information, future developments or otherwise, except as may be required under applicable securities law.

This presentation may refer to non-GAAP financial measures, including, among others, adjusted diluted EPS, adjusted EBITDA, adjusted income from continuing operations, adjusted gross margin, adjusted operating expenses, adjusted effective tax rate, adjusted revenue and adjusted weighted average diluted shares that are not prepared in accordance with accounting principles generally accepted in the United States and that may be different from non-GAAP financial measures used by other companies. Endo utilizes these financial measures because (i) they are used by Endo, along with financial measures in accordance with GAAP, to evaluate the Endo's operating performance; (ii) Endo believes that they will be used by certain investors to measure Endo's operating results; (iii) the Compensation Committee of Endo's Board of Directors uses adjusted diluted EPS and Adjusted EBITDA, or measures derived from such, in assessing the performance and compensation of substantially all of Endo's employees, including executive officers and (iv) Endo's leverage ratio, as defined by Endo's credit agreement, is calculated based on non-GAAP financial measures. Endo believes that presenting these non-GAAP measures provides useful information about Endo's performance across reporting periods on a consistent basis by excluding certain items, which may be favorable or unfavorable, pursuant to certain specified procedures. These non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. Endo's definition of these non-GAAP measures may differ from similarly titled measures used by others. Investors are encouraged to review Endo’s current report on Form 8-K furnished to the SEC on May 9, 2019, including exhibit 99.1 thereto, for Endo's definition of the non-GAAP financial measures in this presentation as well as a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.

Today's Agenda



Overview



Q1 2019 Segment Results



Milestones and Pipeline



2019 Financial Guidance



Q&A

Overview

- Q1'19 enterprise revenue growth of 3% compared to prior year, driven by continued strong performance in core growth areas
 - Second consecutive quarter of revenue growth
 - Branded Pharmaceuticals - Specialty portfolio (+19% year-over-year) and Sterile Injectables (+25% year-over-year)
- Delivered Q1'19 adjusted EBITDA of \$334 million, flat year-over-year
- March 2019 debt-refinancing provides operational flexibility
- Affirm full-year 2019 guidance on revenue, adjusted diluted EPS from continuing operations and adjusted EBITDA

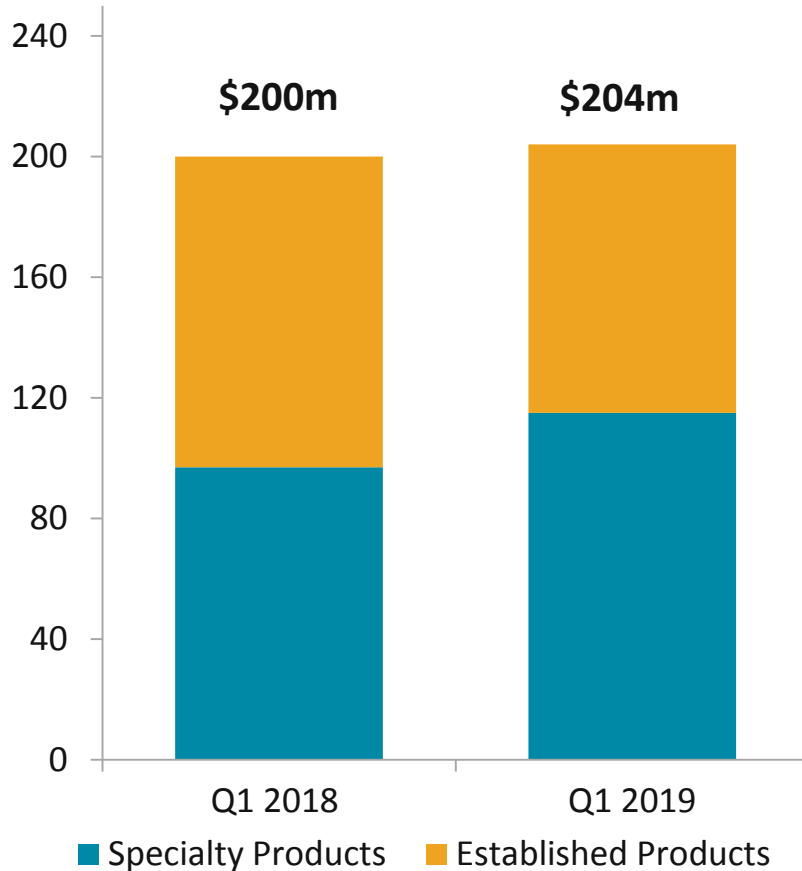
Q1 2019 Snapshot

<i>Revenue (US \$M)</i>	Q1 2019	Q1 2018
Branded Pharmaceuticals	\$204	\$200
Sterile Injectables	\$270	\$216
Generic Pharmaceuticals	\$219	\$249
International Pharmaceuticals	\$28	\$35
Total	\$720	\$701
Adjusted EBITDA	\$334	\$334

Table may not total due to rounding

Q1 2019 Performance: Branded Pharmaceuticals*

Reported Revenues in \$ Millions



Specialty Products

- 19% Y-o-Y growth in Specialty Products
- 20% XIAFLEX® Y-o-Y growth
- 24% Nascobal Y-o-Y growth
- 38% Aveed Y-o-Y growth
- Continue to expect FY'19 Specialty Products revenue growth of low double digit percentage range
- Continue to expect FY'19 XIAFLEX® growth in the mid to high teens percentage range

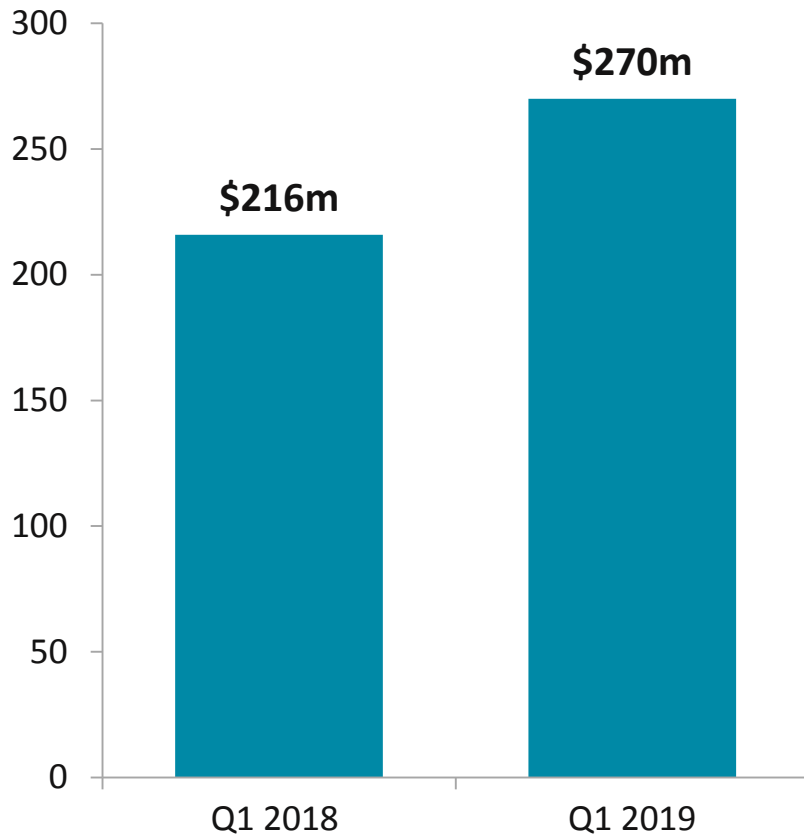
Pipeline

- Presented new Phase 3 data from the CCH for Cellulite clinical trials at the American Academy of Dermatology conference

*As of Q1 2019, TESTOPEL® was reclassified to Established Products from Specialty Products within the Branded Pharmaceuticals segment

Q1 2019 Performance: Sterile Injectables

Reported Revenues in \$ Millions

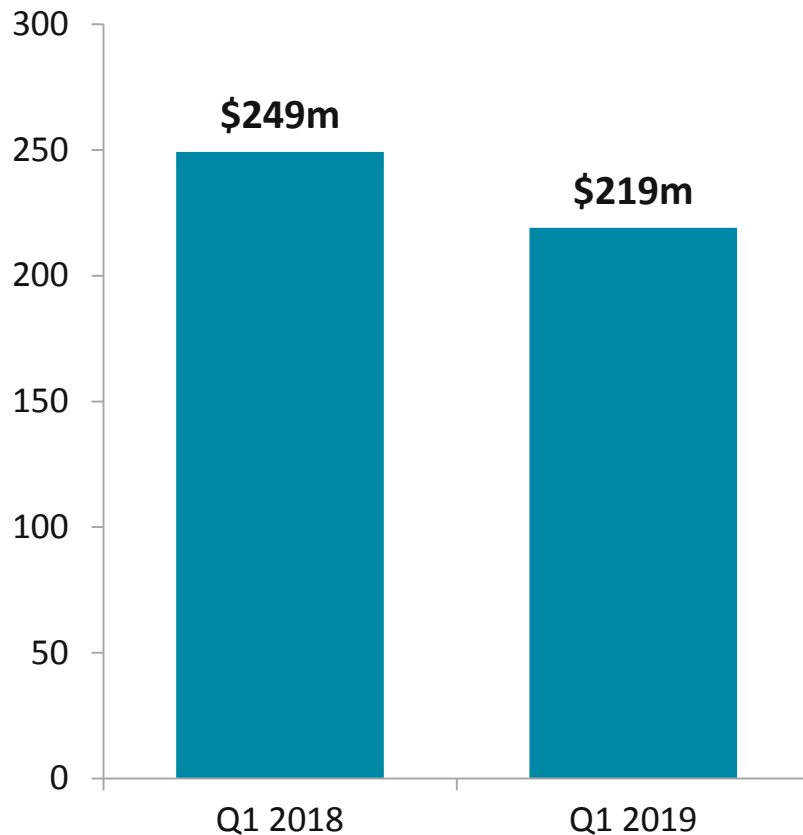


Sterile Products

- 25% Y-o-Y growth driven by Q3'18 launch of ertepenam for injection as well as ADRENALIN® and VASOSTRICT®
- VASOSTRICT® volume was favorably impacted by timing of shipments
- FDA removed vasopressin from the 503B Bulks List; now unlawful to sell compounded vasopressin products unless manufactured using an FDA-approved vasopressin, of which VASOSTRICT® is the only one
- Continue to expect FY'19 Sterile Injectables revenue to grow in the high single to low double digit percentage range
- Continue to expect FY'19 VASOSTRICT® revenue to grow by low double digit percentage

Q1 2019 Performance: Generic Pharmaceuticals

Reported Revenues in \$ Millions

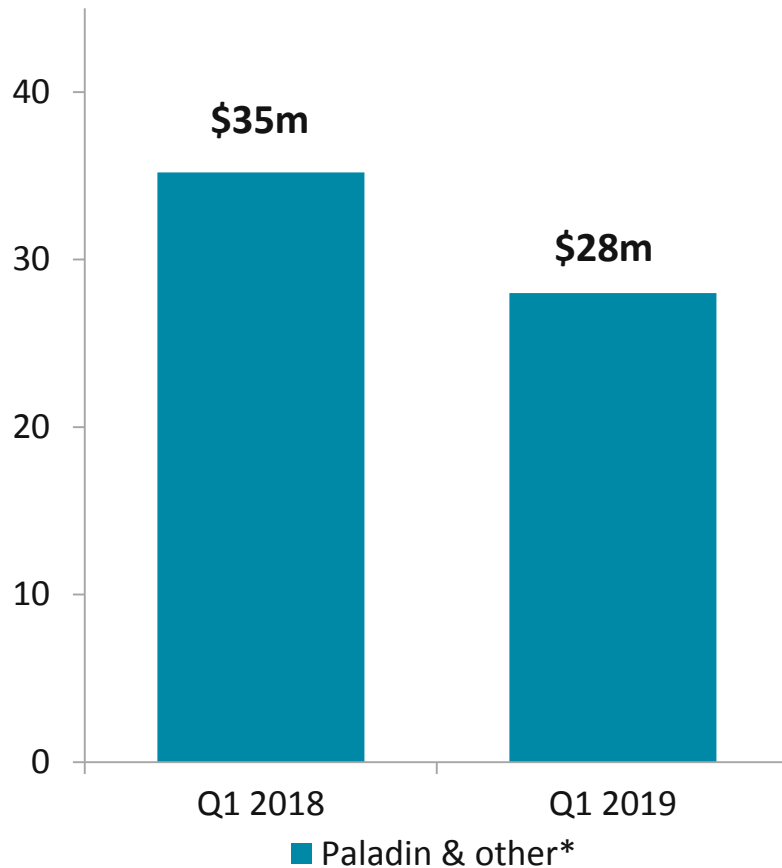


Generics

- Decrease in revenue primarily attributable to anticipated competitive pressures on certain limited competition generic products
- Partially offsetting the decrease was the benefit of product launches including, among others, colchicine tablets
- Continue to expect FY'19 Generic Pharmaceuticals revenue to decline by mid to high teens percentage range

Q1 2019 Performance: International Pharmaceuticals

Reported Revenues in \$ Millions



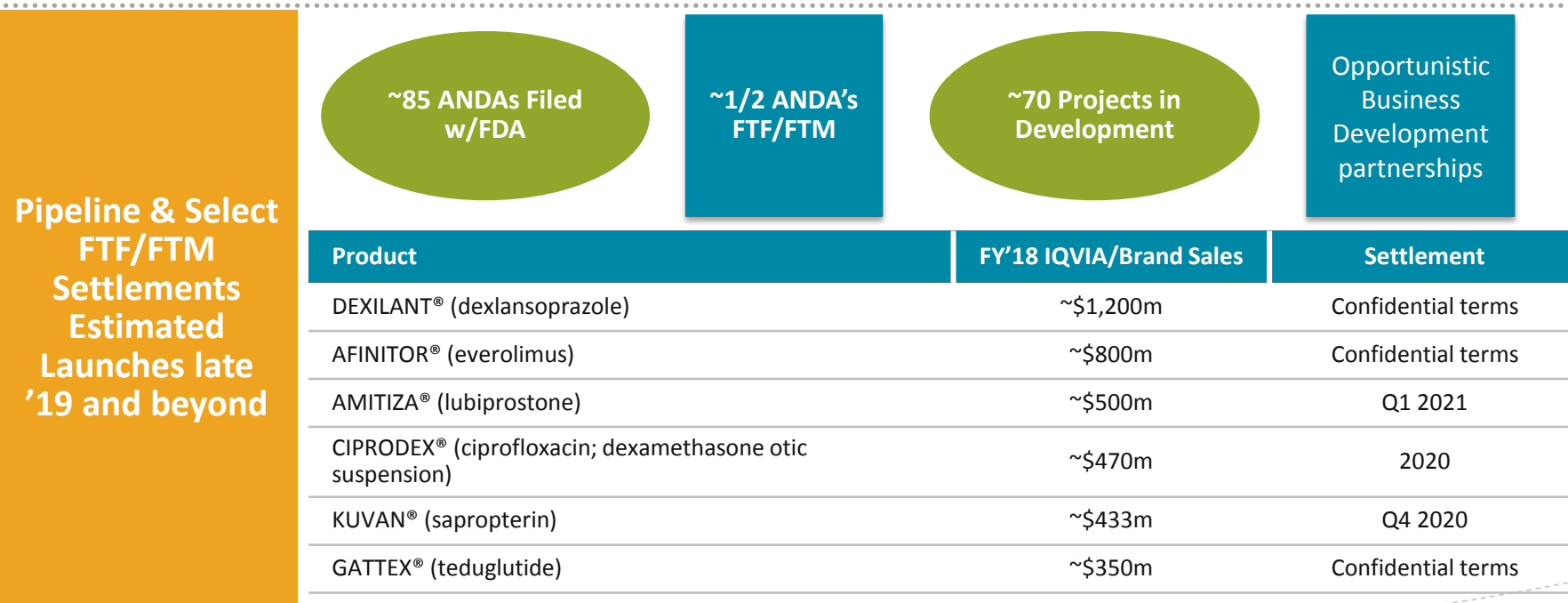
International

- Q1'19 performance impacted by ongoing generic competition and a shift in timing of sales on certain products
- Continue to expect FY'19 International Pharmaceuticals revenues to decline by ~20%

* Includes sales from Endo Ventures Limited and Par UK

Milestones and Pipeline

- On CCH for Cellulite, continuing with regulatory and pre-commercialization activities; expect to submit BLA in 2H19
- Expect ~15 Sterile, Generic and International launches in 2019
- Launched four products year to date
- Expect 1st Nevakar launch in late 2020



- IQVIA sales for 12 months
- GATTEX® LTM brand sales as of 6/30/18

Q1 2019: Financial Results (Continuing Operations*)

<i>(US \$M, except EPS)</i>	US GAAP		Non-GAAP	
	Q1 '19	Q1 '18	Q1 '19	Q1 '18
Revenue	\$720	\$701	\$720	\$701
Gross Margin	45.6%	42.4%	65.9%	69.2%
Operating Income (Loss)	\$16	(\$361)	\$292	\$299
Net (Loss) Income	(\$13)	(\$498)	\$122	\$151
Effective Tax Rate	(638.0%)	(3.2%)	22.0%	13.7%
Diluted (Loss) Income per share	(\$0.06)	(\$2.23)	\$0.53	\$0.67
Weighted Average Diluted Shares Outstanding	225	224	232	225

* Continuing Operations excludes ASTORA (formerly known as AMS Women's Health)

2019 Financial Guidance (Continuing Operations*) affirmed

Measure	Prior (Feb '19)	Current (May '19)
Revenue	\$2.76B – \$2.96B	\$2.76B – \$2.96B
Adjusted EBITDA	\$1.24B – \$1.34B	\$1.24B – \$1.34B
Adjusted Diluted EPS	\$2.00 – \$2.25	\$2.00 – \$2.25

The Company's 2019 Financial Guidance is Based on the Following Assumptions:

- Adjusted gross margin of approximately 65.0% to 66.0%
- Adjusted operating expenses as a percentage of revenue to be approximately 24.5% to 25.0%
- Adjusted interest expense of approximately \$550 to \$560 million
- Adjusted effective tax rate of approximately 17.5% to 18.5%
- Full-year adjusted diluted shares outstanding of approximately 234 million
- Revenue, Adjusted EBITDA, and Adjusted Diluted EPS weighted slightly more towards the 2nd half of 2019

* Continuing Operations excludes ASTORA (formerly known as AMS Women's Health)

2019 Segment Guidance affirmed

Segment	YOY % Change in Revenues	Adjusted Gross Margin %
Branded Pharmaceuticals	Flat to Low single digit growth	Low 80's
Sterile Injectables	High single to low double digit growth	High 70's
Generic Pharmaceuticals	Mid to High teens decline	Low to mid 30's
International Pharmaceuticals	~ 20% decline	Low 50's

The Company's 2019 Segment Guidance is Based on the Following Assumptions:

- Branded Specialty Product Portfolio revenue expected to grow low double digit percentage
- Xiaflex revenue expected to grow in the mid to high teens percentage
- Vasostrict revenue expected to grow low double digit percentage

Unrestricted Cash Flow Prior to Debt Payments

US \$M	Q1'19	FY 2019 Guidance		FY 2019 - Prior Guidance	
	Actual	Low	High	Low	High
Adjusted EBITDA Range	\$334	\$1,240	\$1,340	\$1,240	\$1,340
Cash Interest	(\$217)	~(\$560)		~(\$545)	
Changes in Net Working Capital ^[1]	(\$86)	~(\$70)		~(\$70)	
Changes in Other Assets and Liabilities	(\$11)	~(\$20)		~(\$20)	
Contingent Consideration	(\$7)	~(\$25)		~(\$25)	
Cash Taxes, net refund (payments)	(\$2)	~(\$10)		~(\$10)	
Milestone/Commercial Payments	(\$1)	~(\$25)		~(\$25)	
Restructuring and Integration Related Costs	(\$6)	~(\$20)		~(\$20)	
Cash Flow from Operations – Pre-Mesh and Other Settlements	\$6	~\$510	~\$610	~\$525	~\$625
Non-Mesh Settlement Payments, net ^[2]	(\$30)	~(\$120)		~(\$120)	
Cash Distributions to Settle Mesh Claims ^[3]	(\$66)	~(\$500)		~(\$500)	
Cash Flow from Operations	(\$91)	~(\$110)	~(\$10)	~(\$95)	~\$5
Change in Restricted Cash - Mesh Related	(\$27)	~\$40		~\$40	
Capital Expenditures	(\$16)	~(\$95)		~(\$95)	
Other ^[4]	(\$8)	~(\$35)		~(\$25)	
Unrestricted Cash Flow Prior to Debt Payments	(\$142)	~(\$200)	~(\$100)	~(\$175)	~(\$75)

Cash into the mesh QSF and paid mesh legal expenses: Q1'19: (~\$93M) FY '19: (~\$460M)

[1] "Changes in Net Working Capital" defined as changes in Accounts Receivable adjusted for non-cash items, plus changes in Inventory adjusted for long-term and non-cash items, less changes in Accounts Payable adjusted for Royalties and Rebates (additional detail available in earnings release issued May 9, 2019).

[2] "Non-Mesh Settlement Payments" represent legal settlements that Endo paid in Q1 2019 and expects to be paid in remainder of 2019.

[3] "Cash Distributions to Settle Mesh Claims" represents expected direct payments and payments from Qualified Settlement Funds to settle mesh product liabilities, as well as mesh related legal expenses.

[4] "Other" includes contingent consideration for certain products, financing fees, and certain other items.

Table may not total due to rounding

Our Strategic Priorities

1

Reshape our Organization for Success

- **Simplify** our business through process and technology enhancements
- **Drive** productivity improvements
- **Leverage** the new Endo Culture to develop, retain and attract top talent

2

Build Our Portfolio and Capabilities for the Future

- **Expand** the breadth of our Sterile Injectables portfolio
- **Invest** in the continued growth of our highly focused Specialty portfolio
- **Strengthen** our Generics business portfolio and profile for the future
- **Execute** to flawlessly bring the first injectable treatment for cellulite to market

3

Drive Margin Expansion and De-Lever

- **Drive** EBITDA margin improvements through operational execution and continuous improvements
- **De-lever** 3-4x range over time; committed to a highly disciplined capital allocation approach
- **Accelerate** return to EBITDA dollar growth through smart business development

Q&A



Appendix



Cash Conversion Cycle

We use days sales outstanding (DSO), days inventory outstanding (DIO) and days payable outstanding (DPO), the sum of which is the cash conversion cycle, to evaluate our working capital performance. The following table summarizes the details of the financial metrics used to calculate these working capital performance statistics for the quarters ended March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018, and March 31, 2018 (in thousands except for ratios):

	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
Total Revenue	\$720,411	\$786,389	\$745,466	\$714,696	\$700,527
• Accounts Receivable, net of allowance	\$487,974	\$470,570	\$467,156	\$451,240	\$460,019
• Less: Returns and allowances	\$(223,156)	\$(236,946)	\$(250,637)	\$(276,677)	\$(293,840)
DSO Accounts Receivable, adjusted for non-cash items	\$264,818	\$233,624	\$216,519	\$174,563	\$166,179
<i>Total revenues per day</i>	<i>\$8,005</i>	<i>\$8,548</i>	<i>\$8,103</i>	<i>\$7,854</i>	<i>\$7,784</i>
DSO	33	27	27	22	21
• Inventories, net	\$331,391	\$322,179	\$332,787	\$343,318	\$376,650
• Plus: Long-term inventory	\$9,853	\$8,114	\$13,306	\$11,258	\$18,368
• Less: Inventory step-up	\$0	\$0	\$(71)	\$(124)	\$(66)
DIO Inventory, adjusted for long-term and non-cash items	\$341,244	\$330,293	\$346,022	\$354,452	\$394,952
<i>Total revenues per day</i>	<i>\$8,005</i>	<i>\$8,548</i>	<i>\$8,103</i>	<i>\$7,854</i>	<i>\$7,784</i>
DIO	43	39	43	45	51
• Trade Accounts Payable	\$97,592	\$96,024	\$106,321	\$95,195	\$87,235
• Plus: Accrued Royalties and Partner Payables	\$103,649	\$122,028	\$103,673	\$148,326	\$137,868
• Plus: Accrued Rebates and Chargebacks paid in cash	\$121,139	\$147,831	\$154,319	\$52,515	\$59,607
Trade Accounts Payable, adjusted for royalties and rebates	\$322,380	\$365,883	\$364,313	\$296,036	\$284,710
<i>Total revenues per day</i>	<i>\$8,005</i>	<i>\$8,548</i>	<i>\$8,103</i>	<i>\$7,854</i>	<i>\$7,784</i>
DPO	40	43	45	38	37
Cash Conversion Cycle	35	23	24	30	36

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